

## Houston Methodist Policy FI49

**Subject:**  
Financial Assistance

**Effective Date:**  
January 1, 2016

**Applies to:**  
Houston Methodist Hospitals

**Date Revised/Reviewed**  
January 1, 2020

**Originating Area:**  
Revenue Cycle Council

**Target Review Date:**  
January 1, 2023

### I. POLICY

Houston Methodist (HM) is committed to providing financial assistance to persons who have healthcare needs and are otherwise unable to pay for medically necessary care, including emergency care as defined herein, based on their individual financial situation. Consistent with HM's objective to deliver high quality, cost effective healthcare, HM strives to ensure that those in need are not prevented from receiving necessary health care services. HM will provide, without discrimination, care for emergency medical conditions regardless of a patient's ability to pay.

This policy covers how to apply for financial assistance; eligible services; eligibility criteria; the approval process; the basis for calculating amounts billed; notification and posting requirements; collection procedures for unpaid amounts; a list of providers that are/are not covered by this policy (Appendix C), and also provides a plain language summary of this policy (Appendix A).

Financial assistance is not considered to be a substitute for personal responsibility. Patients are expected to contribute to the cost of their care, based on ability to pay, and comply with HM's procedures for obtaining financial assistance. Individuals with the financial capacity to purchase health insurance will be encouraged to do so, as a means of providing access to health care services. Patients that would qualify as a Houston Methodist Global patient are excluded from this policy.

Consistent with good financial stewardship and to enable HM to provide healthcare services to the greatest number of persons in need, HM's Board of Directors has established the following guidelines for the provision of patient charity.

### II. DEFINITIONS

- **Financial Assistance:** Healthcare services provided by HM hospitals without charge or at a discount to patients approved for Financial Assistance.
- **Financially Indigent:** A patient whose Family Income is less than or equal to 200% of the Federal Poverty Level (FPL).

- Medically Indigent:
  - Threshold #1 - A patient whose Family Income is between 201% and 500% of the FPL.
  - Threshold #2 - A patient whose Family Income is greater than 500% of the FPL and whose Account Balance is greater than 10% of their Family Income.
- Presumptive Charity: In instances where the Financial Assistance Application (FAA) is not complete, HM will routinely screen uninsured patients using independent third-party sources for financial assistance eligibility (i.e., electronic scoring model). Information provided in this screening will include estimated income and number of family members.
- Federal Poverty Level (FPL): Level of income at which an individual is deemed to be at the threshold of poverty. This income level varies by the size of the family unit. The poverty level is updated annually by the United States Department of Health and Human Services and published in the Federal Register. The poverty level indicated in these published guidelines represents gross income.
- Account Balance: The amount owed after the application of any third-party assistance.
- Family: Using the Census Bureau definition, a group of two or more people who reside together and who are related by birth, marriage, or adoption. According to Internal Revenue Service rules, if a patient claims someone as a dependent on their income tax return, they may be considered a dependent for financial assistance determination purposes.
- Family Income: Family Income, on a before tax basis, is determined using the Census Bureau definition, which uses the following income when computing federal poverty levels (FPL):
  - Earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest and dividends (excluding capital gains or losses), rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources;
  - Noncash benefits (such as food stamps and housing subsidies) do not count;
  - If a person lives with a family, includes the income of all family members. Non-relatives, such as a housemate, do not count.
- Houston Methodist Global: A corporation of Houston Methodist that serves the following patients:
  - Citizenship in a foreign country;
  - Possess valid passports;
  - United States retirees that permanently reside abroad; or
  - United States citizens that work abroad greater than six months in the year.
- Gross Charges: Charges for services before the application of payments, contractual adjustments or discounts.
- Amounts Generally Billed (AGB) Percentage: The average payment percentage that a HM hospital receives for medically necessary or emergency services from Medicare and private insurance companies (see Appendix B). The AGB percentage is calculated annually for each HM

hospital, within 120 days of December 31<sup>st</sup>, utilizing a look back method which includes claims processed for the previous calendar year.

- Emergency medical conditions: Defined within the meaning of Section 1867 of the Social Security Act (42 U.S.C. 1395dd).
- Medically necessary: As defined by Medicare (services or items reasonable and necessary for the diagnosis or treatment of illness or injury).

### III. PROCEDURE

A. **Eligibility Criteria:** Individuals who seek financial assistance based on Family Income shall complete a Financial Assistance Application (FAA). Eligibility for financial assistance will be considered for patients who qualify as:

1. Financially Indigent as determined by the criteria in this policy;
2. Medically Indigent as determined by the criteria in this policy; or
3. Those who meet presumptive eligibility based upon the criteria in this policy.

B. **Eligible Services:** The following healthcare services are eligible for financial assistance:

1. Emergency medical services provided in an emergency room setting;
2. Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of an individual;
3. Non-elective services provided in response to life-threatening circumstances in a non-emergency room setting; and
4. Medically necessary services, evaluated on a case-by-case basis at HM's discretion.

C. **Eligibility Process:** Financial need will be determined in accordance with an individual assessment process that may include the following:

1. Presumptive Eligibility: In certain cases, there may be adequate information to make a financial assistance determination without a completed FAA. Presumptive financial assistance will be evaluated and/or reevaluated for each date of service. Some examples of sources HM may use to determine presumptive financial assistance include:
  - a) Homeless or received care from a homeless clinic;
  - b) Participation in Women, Infants, and Children programs (WIC);
  - c) Food stamp eligibility;
  - d) Low income/subsidized housing is provided as a valid address;
  - e) Patient is deceased with no known estate;
  - f) Acceptance in the Community Scholars Program or other approved programs of third-party providers (e.g., patients would be presumed eligible

from community referrals under their existing financial assistance programs) and the patient will qualify for the financial indigency discount;

- g) Patients that are dual eligible for primary insurance coverage through Medicare and secondary insurance coverage through Medicaid;
- h) Patients that are Medicaid eligible whose claim is denied by Medicaid due to spell of illness or exhausted benefits; and
- i) Third-party electronic scoring model (i.e., Experian).
  - Electronic Scoring Model (ESM). Where the patient does not complete the FAA or does not provide the necessary documentation to determine financial assistance eligibility, the account may be screened using an ESM that derives scores based on Family Income and the number of family members in the household. Where the ESM score indicates the account qualifies for financial assistance, discounts will be applied.

- 2. An application process culminating in the completion of a FAA (FAA – Appendix D).

D. **How to Apply for Financial Assistance:**

- 1. To apply for Financial Assistance, a patient can obtain a Financial Assistance Application (FAA), free of charge, as follows:
  - a. Speak with a Financial Counselor prior to or at time of service;
  - b. Download from HM's website at [www.HoustonMethodist.org/Billing](http://www.HoustonMethodist.org/Billing);
  - c. Call HM's Centralized Business Office, Monday through Friday, 7:00 a.m. through 7:00 p.m., Saturday 8:00 a.m. through 12:00 p.m. at 832-667-5900 or toll free at 877-493-3228; or
  - d. By Mail:  
  
Houston Methodist  
Centralized Business Office  
Attn: Financial Assistance Unit  
701 S. Fry Road  
Katy, TX 77450
- 2. Once the patient has obtained the FAA, the form should be filled out completely, required supporting documents should be gathered and attached, all documents should be submitted by way of the following:
  - a. By Mail:  
  
Houston Methodist

Centralized Business Office  
Attn: Financial Assistance Unit  
701 S. Fry Road  
Katy, TX 77450

- b. Walk up and/or drop off to a Patient Access team member; or
  - c. Fax to 832-667-5995.
3. It is preferred but not required that a request for financial assistance and a determination of financial need occur prior to rendering of non-emergent medically necessary services. However, the determination may be done at any time. The need for financial assistance is updated for each subsequent service if the last financial evaluation was completed more than a year prior, or at any time additional information relevant to the eligibility of the patient for financial assistance becomes known.
  4. HM's values of human dignity and stewardship will be reflected in the application and approval process. Requests for financial assistance will be processed promptly and HM will notify the patient or applicant in writing within 30 days of receipt of a FAA. Financial Assistance will be approved or denied based on the completed FAA and other provisions of this policy (e.g., see below). In instances of presumptive screening, no written notice is provided to the patient whether approved or denied.
    - a. Denied decisions: Appeals will be considered by providing additional or clarifying information for the specific denial reason listed in the letter. Appeals will be accepted by phone, fax and mail.
- E. **Amounts Billed:** Once care is confirmed for eligibility under this policy, any remaining Account Balance will be billed to the patient as listed below.
1. Financially Indigent will receive a discount of 100% off gross charges, the patient will not be billed, and the discount will be classified as financial assistance.
  2. Medically Indigent Threshold #1 will be billed the lesser of 5% of gross annual family income or a percentage of AGB.
  3. Medically Indigent Threshold #2 will be billed the lesser of 10% of gross annual family income or a percentage of the Account Balance.
- F. **Collection Steps in Case of Non-payment:** In cases where a patient does not pay the amount billed (Section III, E. above), HM management will follow its established collection policies, which will include extended payment options. At no time will HM impose extraordinary collection actions, such as wage garnishments, personal liens on primary residences, credit bureau notification or other legal actions. A copy of HM's collection policies can be obtained for free by following one of the steps listed in Section III, D.1.
- G. **Financial Assistance Notification and Posting Requirements:** Notification about financial assistance will be made available by various means, which may include, but not be limited to: the publication of notices in patient bills; notices in emergency rooms and urgent care centers; the Conditions of Admission form; Admitting and Registration

departments, and at other public places as HM may elect. HM may also publish and widely publicize a summary of this Financial Assistance policy on its hospital websites, in brochures available in patient access sites and at other places within the community served by HM. Such notices and summary information will be provided in various primary languages spoken by the population served by HM. Referral of patients for financial assistance can be made by any member of HM's staff or medical staff. A request for financial assistance may be made by the patient or a family member, close friend, or associate of the patient, subject to applicable privacy laws.

H. **Regulatory Requirements:** In implementing this Policy, HM will comply with federal, state, and local laws, rules, and regulations that apply to activities conducted pursuant to this Policy.

I. **Authoritative References:**

1. Patient Protection and Affordable Care Act of 2010;
2. Internal Revenue Code Section 501(r)(4)-(r)(6);
3. Extended Payment Options Policy (FI86); and
4. Collections Policy (FI85).

#### IV. COUNCILS OR COMMITTEES REVIEWING OR APPROVING PROCEDURE AND REVIEW OF APPROPRIATE DATES

Recommended by Revenue Cycle Council  
Approved by Houston Methodist Board of Directors

V. **NAME OF APPROVING EXECUTIVE:** Marc L. Boom, M.D.  
**TITLE:** President and Chief Executive Officer

Authorized by Chief Administrative Officer:

(Signed Original on File)

\_\_\_\_\_  
M. Boom  
President  
Chief Executive Officer  
Houston Methodist

\_\_\_\_\_  
Date

## Appendix A

### Plain Language Summary

#### Houston Methodist's Financial Assistance Policy

Houston Methodist is committed to providing charity care to persons who are uninsured, underinsured, ineligible for a government program, or otherwise unable to pay for emergency and medically necessary care based on their individual financial situation.

Patients whose family income is at or below 200% of the Federal Poverty Level (FPL) are eligible to receive free services; and patients whose family income is above 200% but not more than 500% of the FPL are eligible to receive services at a discounted amount. This discounted rate is not to exceed the average amount Houston Methodist would get paid by private insurance, and Medicare, including any patient payments in the form of deductibles, co-payments, and co-insurance. Patients whose family income is above 500% of the FPL may be eligible for discounted services.

You will not be required to make advanced payments or payment arrangements for emergency and medically necessary services prior to the rendering of services. However, if you are required to pay a discounted amount, and you cannot pay the discounted amount in full after the services are provided, Houston Methodist will attempt to collect this discounted amount. Houston Methodist will provide monthly billing statements requesting payment from you. If you cannot pay the discounted amount in a single payment, Houston Methodist offers interest free extended payment options. Any discounted amounts remaining unpaid will be turned over to a third-party collection agency for further collection attempts. Third party collection activity will not include personal liens, legal actions or credit bureau notification.

A free copy of Houston Methodist's Financial Assistance Policy, the Financial Assistance Application and Collection Policies are available on Houston Methodist's website at [www.houstonmethodist.org/billing](http://www.houstonmethodist.org/billing), are available in the Hospitals' Admitting and Registration areas, can be obtained by contacting the Centralized Business Office at (local) 832-667-5900, (toll free) 877-493-3228, and can be requested by mail:

Houston Methodist  
Centralized Business Office  
Attn: Financial Assistance Unit  
701 S. Fry Road  
Katy, TX 77450

This Plain Language Summary, Financial Assistance Policy, Financial Assistance Application and Collection Policies are available in various languages at the contacts listed above.

Houston Methodist's Financial Assistance Unit is available to answer questions and provide information about the Financial Assistance Policy and to help you with the application process. You can reach a member of the Financial Assistance Unit Monday through Friday between the hours of 7:00 a.m. through 7:00 p.m. and Saturday between the hours of 8:00 a.m. – 12:00 p.m. at 877-493-3228.

Once you have completed the Financial Assistance Application, please attach all required supporting documents and mail to the Financial Assistance Unit, see address listed above, or fax to the attention of the Financial Assistance Unit at 832-667-5995.

Appendix B

SAMPLE

AMOUNT GENERALLY BILLED (AGB) CALCULATION WORKSHEET

Annual Calculation of Amounts Generally Billed Percentage  
Houston Methodist Hospitals

Relevant Measurement Period: January 1, 2019 – December 31, 2019

A	Medicare Fee-for-Service allowed amounts on claims paid during relevant period	\$
B	Private Insurance allowed amounts on claims paid during relevant period	\$
C	Co-pays, co-insurance, and deductibles paid by patients on claims listed in A and B during relevant period	\$
D	Total insurance allowed amounts and patient payments (A+B+C above)	\$
E	Hospital gross charges for services provided in D above	\$
F	Hospital-specific Amount Generally Billed (AGB) Percentage (D/E)	%

For a list of current AGB percentages for each HM hospital, please contact any of the individuals listed in Section III, D.1. This information will be provided to you free of charge.

While it is required to calculate the AGB for each entity, HM will uniformly apply the lowest entity-calculated AGB, rounded.



Appendix C  
List of Providers that are/are not covered by this Policy

Organization/Group/Practice	Covered Yes/No
Houston Methodist Hospital	Yes
Houston Methodist Sugar Land Hospital	Yes
Houston Methodist Willowbrook Hospital	Yes
Houston Methodist West Hospital	Yes
Houston Methodist Baytown Hospital	Yes
Houston Methodist Clear Lake Hospital	Yes
Houston Methodist Continuing Care Hospital	Yes
Houston Methodist The Woodlands Hospital	Yes
Houston Methodist Imaging Center: Cinco Ranch	Yes
Houston Methodist Imaging Center: Cypress	Yes
Houston Methodist Imaging Center: Kirby	Yes
Houston Methodist Imaging Center: Pearland	Yes
Houston Methodist Imaging Center: Sienna Plantation	Yes
Houston Methodist Imaging Center: Spring	Yes
Houston Methodist Imaging Center: Spring Branch	Yes
Houston Methodist Imaging Center: The Woodlands	Yes
Houston Methodist Imaging Center: Voss	Yes
Houston Methodist Emergency Center: Cinco Ranch	Yes
Houston Methodist Emergency Center: Cypress	Yes
Houston Methodist Emergency Center: Kirby	Yes
Houston Methodist Emergency Center: Pearland	Yes
Houston Methodist Emergency Center: Sienna Plantation	Yes
Houston Methodist Emergency Center: Spring	Yes
Houston Methodist Emergency Center: The Woodlands	Yes
Houston Methodist Emergency Center: Voss	Yes
Houston Methodist Primary Care Group	No
Houston Methodist Specialty Physician Group	No
Non-Houston Methodist Physician Groups (Private MDs)	No
Anesthesiology: US Anesthesia Partners	No
Anesthesiology: Space City Anesthesia	No
Emergency Physicians: EmergiGroup Physician Associates	No
Emergency Physicians: Kirby Emergency Physicians	No
Emergency Physicians: San Jacinto Emergency Physicians	No
Emergency Physicians: West Houston Emergency Physicians	No
Emergency Physicians: Woodlands Emergency Physicians	No
Hospitalist: Medical Clinic of Houston, LLP	No
Hospitalist: Houston Hospitalist Joint Venture	No
Hospitalist: Houston InPatient Physician Associates	No
Hospitalist: Medical Center of Houston Physician Consultants, PLLC	No
Hospitalist: Medical Center Hospitalist Associates, PLLC	No
Hospitalist: Houston Methodist Academic Hospitalist Group	No
Hospitalist: UTS	No
Hospitalist: XpertMD	No
Hospitalist: TeamHealth	No
Hospitalist: OB Hospitalist Group	No
Hospitalist: Questcare Obstetrics, PLLC	No
Hospitalist: Envision OB/Gyn Hospitalist	No
Hospitalist: Vanguard	No
Imaging: MASTOS Imaging Associates	No
Newborns: Texas Children's Physician Services	No
Pathology: Methodist Pathology Associates, PLLC	No
Radiology: Houston Radiology Associated	No

